

### REMARKS

Favorable reconsideration of this application, as presently amended and in light of the following discussion, is respectfully requested.

Claims 1-36 and 38-43 are currently pending in the application, with Claims 18-20, 22, 24-27, 31, 35, 38 and 43 having been withdrawn from consideration. Claims 1, 23, 28-29 and 41 are amended by the present amendment. Support for amended Claims 1, 23, 28-29 and 41 can be found in the original specification, claims, and drawings. No new matter is added.

In the outstanding Office Action, Claims 1, 7-9, 21, 23, 29-30, 32-34, 36, 39 and 41-42 were rejected under 35 U.S.C. §103(a) as unpatentable over Li et al. (U.S. Patent No. 6,888,893, herein Li) in view of Ryan et al. (U.S. Patent No. 6,374,036, herein Ryan); Claims 13-15 and 40 were rejected under 35 U.S.C. §103(a) as unpatentable over Li in view of Ryan and Shattil (U.S. Pub. 2004/0243528); and Claims 2-6, 10-12, 16-17 and 28 were objected to as dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitation of the base claim and any intervening claims.

Applicants appreciatively acknowledge the indication of allowable subject matter. However, since Applicants consider that amended independent Claim 1 patentably defines over the applied references, Claims 2-6, 10-12 and 16-17 are presently maintained in dependent form. Claim 28, however, is amended to no longer depend from independent Claim 24 and is believed to be patentable over the applied references for at least the reasons noted below.

Claims 1, 7-9, 21, 23, 29-30, 32-34, 36, 39 and 41-42 were rejected under 35 U.S.C. §103(a) as unpatentable over Li in view of Ryan. In response to this rejection, Applicants

respectfully submit that amended independent Claims 1, 28-29 and 41 recite novel features clearly not taught or rendered obvious by the applied references.

Amended independent Claim 1 is directed to a data processing apparatus operable to form a reduced-bandwidth-version of an original material item, wherein

the reduced-bandwidth-version including a code word from a predetermined set of code words, and an impaired version of the material item from which a marked representation of the original material item can be formed if the impaired version of the material item were to be combined with the reduced-bandwidth-version including the code word, wherein the impaired version is formed by removing the reduced-bandwidth-version of the material item from a copy of the original material item.

Independent Claims 28, 29 and 41, while directed to alternative embodiments, recite substantially similar features. Accordingly, the remarks and arguments present below are applicable to each of independent Claims 1, 28, 29 and 41.

P. 2 of the Office Action asserts that Li discloses all the features of claim 1, with the exception of “providing an impaired version of the material item from which a marked representation of the original material item can be formed, wherein the impaired version is formed by removing the reduced-bandwidth-version of the material item from a copy of the original material item.”

In particular, the Official Action cites col. 29 ll. 5-11 and col. 22 ll. 54-58 of Li as disclosing the claimed feature that that “the reduced-bandwidth-version of the original material item is marked with the code word from a predetermined set of code of words.” Although Li describes the word “code word” and “coding” for example in col. 22 at l. 58, there is no indication that this code word is a code word from a pre-determined set of code words, as claimed. Further, the “code word” in Li is formed by adaptive context based arithmetic encoding of the intra or inter mode. Thus, the “code word” appears to be generated by compression encoding one of the I or P frames. Also, there is no indication of

including a code word into an impaired version of the material item, for example by combining the code word with the reduced bandwidth-version of the material item.

Thus, Li fails to teach or suggest “providing an impaired version of the material item from which a marked representation of the original material item can be formed, wherein the impaired version is formed by removing the reduced-bandwidth-version of the material item from a copy of the original material item,” as recited in amended independent Claim 1.

Turning to the applied secondary reference, while Ryan relates to adding a watermark code word to a material item, which has been compression encoded, there is no indication of forming an impaired version of a material item by subtracting a reduced bandwidth-version of the material item from the original copy of the material item. Ryan merely discloses a watermarking scheme which allows for a “copy never” watermark or a “copy once” watermark. As such, Ryan merely discloses introducing a watermark code word into a compression encoded material item. Therefore, Ryan fails to teach or suggest forming an impaired version of the material item by subtracting a reduced-bandwidth-version of that material item from an original copy of the material item, as claimed.

Amended independent Claim 1 further recites that the marked representation of the original material item can be formed “if the impaired version of the material item were to be combined with the reduced band-width-version including the code word.” Therefore, Claim 1, for example, conveys an inventive concept of providing an arrangement in which an original version of a material item is not communicated in its original form but communicated in two separate parts. A first part comprising an impaired version of that material item (from which a reduced bandwidth-version of the material item has been subtracted) and the reduced-bandwidth-version of the material item to which a watermarked code word has been added. Thus, the original version of the material item can only be formed by combining the reduced bandwidth version which has been marked with the code

word with the impaired version. The impaired version and the reduced bandwidth-version are separately not in a form which they can be used to form the original version. As such, for example where the material item is a digital video such as that which might be used for a digital cinema, the original form of the digital video is never communicated or available in its original form and can only be viewed when the impaired version is combined with the reduced bandwidth-version which includes the code word. Li and Ryan, neither alone, nor in combination, teach or suggest this above noted feature recited in amended independent Claim 1.

Additionally, independent Claim 28 further recites the feature of “a detecting data processor operable to detect with a predetermined false positive probability the recipient by detecting the presence or absence of the code word in the material.” Applicants respectfully submit that Li and Ryan, neither alone, nor in combination, teach or suggest the “detecting data processor,” as claimed.

Accordingly, for at least the reasons noted above, Applicants respectfully request that the rejection of Claims 1, 28, 29 and 41 (and the claims that depend therefrom) under 35 U.S.C. §103(a) be withdrawn.

With regard to the rejection of Claims 13-15 and 40 under 35 U.S.C. §103(a) as unpatentable over Li in view of Ryan and Shattil, it is noted that these claims depend from amended independent Claim 1, and are believed to be patentable for at least the reasons discussed above. Further, it is respectfully submitted that Shattil fails to cure any of the deficiencies of either Li or Ryan noted above.

Accordingly, Applicants respectfully request that the rejection of Claims 13-15 and 40 under 35 U.S.C. §103(a) be withdrawn.

Consequently, in view of the foregoing amendment and remarks, it is respectfully submitted that the present Application, including Claims 1-36 and 38-43, is patently distinguished over the applied references, in condition for allowance, and such action is respectfully requested at an early date.

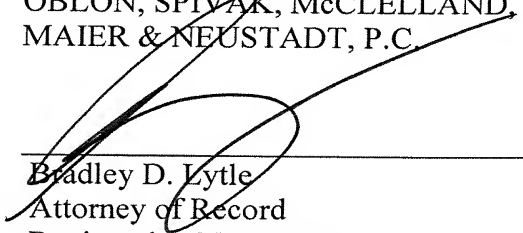
Respectfully submitted,

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